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ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N.W.  
SUITE 200  
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

20006-2973

OF COUNSEL  
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

September 2, 1994

RECORDATION NO. 17957 FILED 1425

SEP 2 1994 - 11 25 AM

INTERSTATE COMMERCE COMMISSION

Mr. Vernon A. Williams  
Acting Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) duly executed copies each of Exhibit A-3 to Equipment Leasing Agreement, dated September 2, 1994, and Exhibit B to Equipment Leasing Agreement (Lease Supplement No. 3) dated September 2, 1994, both secondary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The enclosed documents relate to the Equipment Leasing Agreement, dated as of September 30, 1992, which was duly filed with the Commission under Recordation Number 17957.

The names and addresses of the parties to the enclosed document are:

Lessor	:	NationsBanc Leasing Corporation 2059 Northlake Parkway, 2 North Tucker, Georgia 30084
Lessee	:	The Kansas City Southern Railway Company (successor by merger to Tennrail Corporation) 114 W. 11th Street San Francisco, California 64105

A description of the railroad equipment covered by the enclosed document is set forth in Schedule A-3 attached to Exhibit A-3.

RECEIVED  
OFFICE OF THE  
SECRETARY  
SEP 2 11 30 AM '94  
LICENSING  
BRANCH

*Edw M. Lewis*

Mr. Vernon A. Williams  
September 2, 1994  
Page 2

Also enclosed is a check in the amount of \$36.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bg  
Enclosures

EXHIBIT A-3 TO EQUIPMENT LEASING AGREEMENT DATED AS OF SEPTEMBER 30, 1992

Type of Equipment: Each of the single 10' sliding replacement doors, together with all related materials, installed on each of the 52 used 70 ton, 50'6" boxcars manufactured by Berwick or Pullman and identified on Schedule A-3 attached hereto and made a part hereof

Maximum Acquisition Cost: \$1,331,000

Acquisition Period: Between January 1, 1992 and September 30, 1994

Number of Months in Basic Term: One hundred twenty-four (124) months

Basic Term Commencement Date: September 4, 1994

RECORDATION NO. 17957-E FILED 1425

Basic Rent Percentage\*: 1.1346%

SEP 2 1994 -11 55 AM

Interim Rent Percentage\*: .0378%

INTERSTATE COMMERCE COMMISSION

Rental Periods for Basic Term: Each full calendar month.

Rent Payment Dates for Basic Term: The fourth day of each calendar month during the Basic Term.

Periodicity of Basic Rent Payments During Basic Term: Monthly in advance on each Rent Payment Date.

Renewal Term(s): Two (2) Renewal Term(s) of twelve (12) months each.

Rental Periods for Renewal Term(s): Each full calendar month.

Rent Payment Dates for Renewal Terms(s): The first day of each calendar month during each Renewal Term.

Periodicity of Basic Rent Payments During Renewal Term: Monthly in advance on each Rent Payment Date.

Financial Condition Reference Date: June 30, 1992

\* as a percentage of Acquisition Cost.

THE KANSAS CITY SOUTHERN RAILWAY COMPANY  
(Lessee)

NATIONSBANC LEASING CORPORATION  
(Lessor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

David M. Drury  
Vice President

**SCHEDULE A-3 to Exhibit A-3 to Equipment Leasing Agreement between  
The Kansas City Southern Railway Company, as successor Lessee, and  
NationsBanc Leasing Corporation, as Lessor, dated as of September 30, 1992**

**Description of Boxcars Having Undergone Door Modifications  
by Original and Revised Identification Numbers**

<u>CAR</u>		<u>CAR</u>	
Original No. /	Revised No.	Original No. /	Revised No.
WCTR 102240 /	ATW 102240	WCTR 102417 /	ATW 102417
WCTR 102265 /	ATW 102265	WCTR 102422 /	ATW 102422
WCTR 102266 /	ATW 102266	WCTR 102429 /	ATW 102429
WCTR 102270 /	ATW 102270	WCTR 102432 /	ATW 102432
WCTR 102272 /	ATW 102272	WCTR 102433 /	ATW 102433
WCTR 102274 /	ATW 102274	WCTR 102446 /	ATW 102446
WCTR 102278 /	ATW 102278	WCTR 102450 /	ATW 102450
WCTR 102282 /	ATW 102282	WCTR 102467 /	ATW 102467
WCTR 102284 /	ATW 102284	WCTR 102468 /	ATW 102468
WCTR 102286 /	ATW 102286	WCTR 102474 /	ATW 102474
WCTR 102288 /	ATW 102288	WCTR 102475 /	ATW 102475
WCTR 102299 /	ATW 102299	WCTR 102476 /	ATW 102476
WCTR 102323 /	ATW 102323	WCTR 102478 /	ATW 102478
WCTR 102325 /	ATW 102325	WCTR 102482 /	ATW 102482
WCTR 102328 /	ATW 102328	WCTR 102487 /	ATW 102487
WCTR 102339 /	ATW 102339	WCTR 102567 /	ATW 102567
WCTR 102352 /	ATW 102352	WCTR 102581 /	ATW 102581
WCTR 102355 /	ATW 102355	WCTR 102642 /	ATW 102642
WCTR 102369 /	ATW 102369	WCTR 102768 /	ATW 102768
WCTR 102372 /	ATW 102372	WCTR 102772 /	ATW 102772
WCTR 102378 /	ATW 102378	WCTR 102779 /	ATW 102779
WCTR 102390 /	ATW 102390	WCTR 102780 /	ATW 102780
WCTR 102394 /	ATW 102394	WCTR 102793 /	ATW 102793
WCTR 102405 /	ATW 102405	WCTR 102796 /	ATW 102796
WCTR 102412 /	ATW 102412	WCTR 102797 /	ATW 102797
WCTR 102414 /	ATW 102414	WCTR 102798 /	ATW 102798

SCHEDULE OF TAX ASSUMPTIONS APPLICABLE  
TO EQUIPMENT DESCRIBED IN EXHIBIT A-3  
TO EQUIPMENT LEASING AGREEMENT

1. Method of Depreciation: 200% declining balance method of depreciation, switching to the straight line method at the point in time that maximizes the depreciation allowance for Lessor.
2. Depreciation Convention: Half-Year convention specified in Section 168(d) (1) of the Code.
3. Classification of Property: 7-year property under Section 168(e) (1) of the Code.
4. Applicable Recovery Period: 7 years under Section 168(c) of the Code.
5. Useful Life: At least 15 years
6. Lessor's Home State: Georgia

  
\_\_\_\_\_  
Initials of Lessor

\_\_\_\_\_  
Initials of Lessee

SCHEDULE OF CASUALTY LOSS VALUES FOR  
EQUIPMENT DESCRIBED IN EXHIBIT A-3

<u>DATE</u>	<u>PERCENTAGE OF COST</u>	<u>DATE</u>	<u>PERCENTAGE OF COST</u>	<u>DATE</u>	<u>PERCENTAGE OF COST</u>
SEP94	101.28586	MAR98	85.03379	SEP01	57.20953
OCT94	101.06663	APR98	84.49901	OCT01	56.41093
NOV94	100.84229	MAY98	83.95717	NOV01	55.60365
DEC94	100.59665	JUN98	83.41213	DEC01	54.79523
JAN95	100.34574	JUL98	82.85996	JAN02	53.97807
FEB95	100.08952	AUG98	82.30063	FEB02	53.15211
MAR95	99.82795	SEP98	81.73799	MAR02	52.31730
APR95	99.55201	OCT98	81.16811	APR02	51.48488
MAY95	99.27059	NOV98	80.59097	MAY02	50.64357
JUN95	98.97467	DEC98	80.01040	JUN02	49.80460
JUL95	98.67317	JAN99	79.42249	JUL02	48.95671
AUG95	98.36605	FEB99	78.82719	AUG02	48.09983
SEP95	98.04426	MAR99	78.22447	SEP02	47.24520
OCT95	97.71672	APR99	77.61817	OCT02	46.38154
NOV95	97.38341	MAY99	77.00437	NOV02	45.50881
DEC95	97.03527	JUN99	76.38691	DEC02	44.63822
JAN96	96.68122	JUL99	75.76189	JAN03	43.75851
FEB96	96.32123	AUG99	75.12926	FEB03	42.86962
MAR96	95.95526	SEP99	74.49286	MAR03	41.97150
APR96	95.58006	OCT99	73.84878	APR03	41.07537
MAY96	95.19879	NOV99	73.19697	MAY03	40.16996
JUN96	94.80819	DEC99	72.54128	JUN03	39.26649
JUL96	94.41143	JAN00	71.87778	JUL03	38.35371
AUG96	94.00846	FEB00	71.20643	AUG03	37.43154
SEP96	93.59603	MAR00	70.52719	SEP03	36.51121
OCT96	93.17731	APR00	69.84390	OCT03	35.58146
NOV96	92.75224	MAY00	69.15263	NOV03	34.64222
DEC96	92.31757	JUN00	68.45723	DEC03	33.70471
JAN97	91.87647	JUL00	67.75379	JAN04	32.75768
FEB97	91.42889	AUG00	67.04225	FEB04	31.77007
MAR97	90.97480	SEP00	66.32646	MAR04	30.77281
APR97	90.51507	OCT00	65.60250	APR04	29.77713
MAY97	90.04875	NOV00	64.87032	MAY04	28.77174
JUN97	89.57672	DEC00	64.13376	JUN04	27.76787
JUL97	89.09803	JAN01	63.38889	JUL04	26.75426
AUG97	88.61263	FEB01	62.63568	AUG04	25.73083
SEP97	88.12140	MAR01	61.87407	SEP04	24.70881
OCT97	87.62339	APR01	61.11160	OCT04	23.67693
NOV97	87.11854	MAY01	60.34066	NOV04	22.63512
DEC97	86.60776	JUN01	59.56881	DEC04	21.59461
JAN98	86.09007	JUL01	58.78844	JAN05	20.00000
FEB98	85.56543	AUG01	57.99950		

STATE OF GEORGIA       )  
                              )  
COUNTY OF DEKALB     )       ss:

On this \_\_\_\_\_ day of September 1994, before me personally appeared David M. Drury, to me personally known, who being by me duly sworn, says that he is the Vice President of NationsBanc Leasing Corporation and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of said instrument was the free act and deed of said corporation.

  
Theresa Cmler  
Notary Public

(SEAL)

My Commission expires:  
Notary Public, Cobb County, Georgia  
My Commission Expires January 26, 1998

EXHIBIT A-3 TO EQUIPMENT LEASING AGREEMENT DATED AS OF SEPTEMBER 30, 1992

Type of Equipment: Each of the single 10' sliding replacement doors, together with all related materials, installed on each of the 52 used 70 ton, 50'6" boxcars manufactured by Berwick or Pullman and identified on Schedule A-3 attached hereto and made a part hereof

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Financial Condition Reference Date: June 30, 1992

\* as a percentage of Acquisition Cost.

THE KANSAS CITY SOUTHERN RAILWAY COMPANY  
(Lessee)

NATIONSBANC LEASING CORPORATION  
(Lessor)

By: John A. Smith  
Title: VICE PRESIDENT & CONTROLLER  
Date: SEPTEMBER 1, 1994

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM

N. P. B. / JMN



SCHEDULE A-3 to Exhibit A-3 to Equipment Leasing Agreement between  
The Kansas City Southern Railway Company, as successor Lessee, and  
NationsBanc Leasing Corporation, as Lessor, dated as of September 30, 1992

Description of Boxcars Having Undergone Door Modifications  
by Original and Revised Identification Numbers

<u>CAR</u>		<u>CAR</u>	
<u>Original No.</u>	<u>Revised No.</u>	<u>Original No.</u>	<u>Revised No.</u>
WCTR 102240	/ ATW 102240	WCTR 102417	/ ATW 102417
WCTR 102265	/ ATW 102265	WCTR 102422	/ ATW 102422
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WCTR 102390	/ ATW 102390	WCTR 102780	/ ATW 102780
WCTR 102394	/ ATW 102394	WCTR 102793	/ ATW 102793
WCTR 102405	/ ATW 102405	WCTR 102796	/ ATW 102796
WCTR 102412	/ ATW 102412	WCTR 102797	/ ATW 102797
WCTR 102414	/ ATW 102414	WCTR 102798	/ ATW 102798

SCHEDULE OF TAX ASSUMPTIONS APPLICABLE  
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4. Applicable Recovery Period: 7 years under Section 168(c) of the Code.
5. Useful Life: At least 15 years
6. Lessor's Home State: Georgia

\_\_\_\_\_  
Initials of Lessor

JAS  
\_\_\_\_\_  
Initials of Lessee

SCHEDULE OF CASUALTY LOSS VALUES FOR  
EQUIPMENT DESCRIBED IN EXHIBIT A-3

<u>DATE</u>	<u>PERCENTAGE OF COST</u>	<u>DATE</u>	<u>PERCENTAGE OF COST</u>	<u>DATE</u>	<u>PERCENTAGE OF COST</u>
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AUG95	98.36605	FEB99	78.82719	AUG02	48.09983
SEP95	98.04426	MAR99	78.22447	SEP02	47.24520
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NOV95	97.38341	MAY99	77.00437	NOV02	45.50881
DEC95	97.03527	JUN99	76.38691	DEC02	44.63822
JAN96	96.68122	JUL99	75.76189	JAN03	43.75851
FEB96	96.32123	AUG99	75.12926	FEB03	42.86962
MAR96	95.95526	SEP99	74.49286	MAR03	41.97150
APR96	95.58006	OCT99	73.84878	APR03	41.07537
MAY96	95.19879	NOV99	73.19697	MAY03	40.16996
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AUG96	94.00846	FEB00	71.20643	AUG03	37.43154
SEP96	93.59603	MAR00	70.52719	SEP03	36.51121
OCT96	93.17731	APR00	69.84390	OCT03	35.58146
NOV96	92.75224	MAY00	69.15263	NOV03	34.64222
DEC96	92.31757	JUN00	68.45723	DEC03	33.70471
JAN97	91.87647	JUL00	67.75379	JAN04	32.75768
FEB97	91.42889	AUG00	67.04225	FEB04	31.77007
MAR97	90.97480	SEP00	66.32646	MAR04	30.77281
APR97	90.51507	OCT00	65.60250	APR04	29.77713
MAY97	90.04875	NOV00	64.87032	MAY04	28.77174
JUN97	89.57672	DEC00	64.13376	JUN04	27.76787
JUL97	89.09803	JAN01	63.38889	JUL04	26.75426
AUG97	88.61263	FEB01	62.63568	AUG04	25.73083
SEP97	88.12140	MAR01	61.87407	SEP04	24.70881
OCT97	87.62339	APR01	61.11160	OCT04	23.67693
NOV97	87.11854	MAY01	60.34066	NOV04	22.63512
DEC97	86.60776	JUN01	59.56881	DEC04	21.59461
JAN98	86.09007	JUL01	58.78844	JAN05	20.00000
FEB98	85.56543	AUG01	57.99950		

STATE OF MISSOURI     )  
                              )  
COUNTY OF JACKSON    )     ss:

On this 1st day of September 1994, before me personally appeared John A. Scott, to me personally known, who being by me duly sworn, says that he is the Vice President & Comptroller of The Kansas City Southern Railway Company and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of said instrument was the free act and deed of said corporation.

Ruby A. Jones  
Notary Public

(SEAL)

My Commission expires:

RUBY A. JONES  
Notary Public - State of Missouri  
Commissioned in Jackson County  
My Commission Expires July 30, 1995

CERTIFICATE OF INCUMBENCY

I, Sherry K. Cooper, do hereby certify that I am the duly elected, qualified and acting Assistant Secretary of The Kansas City Southern Railway Company (the "Corporation"), and I do further certify that the persons whose names, titles and signatures appear below are the duly elected (or appointed), qualified and acting officers of said Corporation and hold on the date of this Certificate the offices set forth opposite their respective names, that the signatures appearing opposite their respective names are the genuine signatures of such officers and that they and I are duly authorized on behalf of the Corporation to execute Exhibits A-3 and B (Lease Supplement No. 3), each dated the date hereof, to the Equipment Leasing Agreement between the Corporation, as successor to TennRail Corporation, and NationsBanc Leasing Corporation dated as of September 30, 1992.

<u>NAME OF OFFICER</u>	<u>TITLE OF OFFICER</u>	<u>SIGNATURE OF OFFICER</u>
John A. Scotto	Vice President & Comptroller	<u>John A. Scotto</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of September, 1994.

Sherry K. Cooper

I, Sherry K. Cooper, Assistant Secretary of  
(name) (title)  
The Kansas City Southern Railway Company, do hereby certify that  
John A. Scotto is the duly elected and acting VP & Comptroller  
of said Corporation and that his signature set forth above is his true and  
genuine signature.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 1994.

Sherry K. Cooper